Form 6-95

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

# REFERENCE SLIP

DATE 11/13/51

REFERRED TO:

1. Allsman
2.
3.
4.

FOR:

| | |
|---|---|
| ..... Action | ..... Recommendation |
| ..... Approval | ..... Record of ..... |
| ..... Comment | ..... Referring to ..... |
| ..... Conference | ..... Reply for signature of ..... |
| ..... Consideration | ..... Rewriting |
| ..... Filing | ..... Signature |
| ..... Instructions | ..... Suggestions |
| ..... Investigation | ..... Your information |
| ..... Initials | |
| ..... Mailing | |
| ..... Previous correspondence | |

REMARKS: Letter from Tom Lyon, Re: DMA 1539, and transmitting NSRB-146 form for Ike Kusisto & C. W. Strubee

Check (X) before the items needing attention.

jhe
*Initials of sender.*

GPO 16—51162-1

Form 6-95

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

# REFERENCE SLIP

DATE 11/5/51

REFERRED TO:

1. ~~Allsmen~~ PG East
2. Mr. Millan Wm
3. S. Rass PFS
4. Frances O
Mma

DMA

FOR:

Report has not been received

PFA

| | | | |
|---|---|---|---|
| ..... | Action | ..... | Recommendation |
| ..... | Approval | ..... | Record of ..... |
| ..... | Comment | ..... | Referring to ..... |
| ..... | Conference | ..... | Reply for signature of ..... |
| ..... | Consideration | ..... | Rewriting |
| ..... | Filing | ..... | Signature |
| ..... | Instructions | ..... | Suggestions |
| ..... | Investigation | ..... | Your information |
| jhe | Initials | | |
| ✓ | Mailing | | |
| ..... | Previous correspondence | | |

REMARKS: HAVE WE DONE THIS FIELD WORK?
---Carbon Copy of letter from Actg. Adminis. to Sen. McFarland Re: DMA 1530, Ike Kusisto and C. W. Strubee

Check (X) before the items needing attention.

jhe
*Initials of sender.*

GPO 16—51162-1

Allaman

Have we done this full work?

JME

224 New Customhouse
Denver 2, Colorado

November 13, 1951

Memorandum

To: W. R. Storms (with brochure)

C. A. Anderson

From: DMA Field Team, Region IV

Subject: DMA Docket 1530, Ike W. Kusisto and C. W. Strubee, applicants; Bonnie Nos. 1 to 6 Copper-Lead Mines, Yavapai County, Arizona

Enclosed is the application of the subject docket for a development loan of $10,000.00, with a report by L. C. Blakemore.

The purpose of this loan is to dewater the mine, retimber the collar of the shaft and drive the No. 2 adit 157 feet further to get under the orebody.

Blakemore estimates available ore at 27,000 tons.

Please contact the applicant as to justification of the claimed reserves, and if these are not present, investigation should be made of a possible exploration project.

J. H. EAST, JR.

J. H. East, Jr.

A. H. Koschmann

A. H. Koschmann

WDM:oj
cc: DMA subject, chron.
AHKoschmann

UNITED STATES 310
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

NOV 7 1951

OFFICE
REGION IV
NOV 13 1951
BUREAU OF MINES
DENVER, COLORADO

Mr. J. H. East, Jr.
Executive Officer, DMA Field Team IV
Bureau of Mines
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMA-1530

Dear Mr. East:

It is requested that contact be made with the applicant to see if he can substantiate the claimed ore reserves and if not, whether there is justification for an exploration project. We would also appreciate any other information which might assist in evaluating and processing this application.

Very truly yours,

Tom Lyon

Tom Lyon, Chairman
Coordinating Committee

Enclosure

Lowell B. Moon
for the Bureau of Mines

T. P. Thayer
for the Geological Survey

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

REGIONAL DIRECTOR'S OFFICE REGION IV
OCT 31 1951
NOV 5 - 1951
BUREAU OF MINES DENVER, COLORADO

Hon. Ernest W. McFarland
United States Senate
Washington 25, D. C.

Re: Docket No. DMA-1530

My dear Senator McFarland:

This is to acknowledge your letter of October 24, 1951 requesting the status of a production loan application filed by Mrs. Ike Kusisto and Mr. C. W. Strubco, of Prescott, Arizona.

This application is being referred to the DMA Field Team, Region IV for further investigation. The applicants should hear from Mr. J. H. Kent, Jr., Bureau of Mines, 224 New Customhouse Building, Denver 2, Colorado, or one of his staff when they are ready to visit the property.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Administrator

RVWaugh:rw
10-29-51

Copy to: Administrator's Reading File
Deputy Administrator's Reading File
Executive Officer, Region IV
Mr. Lyon
Copper Branch
Reports and Records

handled.

Mr. C. O. Mittendorf
Acting Administrator
Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMA-1530

Dear Mr. Mittendorf:

This is written in further reference to the application for a production loan filed by Mrs. Ike Kusisto and Mr. C. W. Strubee, of Prescott, Arizona, for the rehabilitation of and development work in the Bannie Mine, Walker Mining District, Yavapai County, Arizona.

Under date of September 18, you advised me that this application was being reviewed by engineers attached to the DMA. If any further information has been developed on this matter, I would appreciate receiving a report thereon.

With best wishes, I am

Sincerely yours,

/s/ Ernest W. McFarland

Ernest W. McFarland

COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

SEP 18 1951

REGIONAL DIRECTOR'S OFFICE REGION IV SEP 24 1951 BUREAU OF MINES DENVER, COLORADO

Hon. Ernest W. McFarland
United States Senate
Washington 25, D. C.

Re: Docket No. DMA-1530

My dear Senator McFarland:

This is to acknowledge and reply to your letter of September 10, 1951 concerning the status of a loan application filed by Mr. Ike Kusisto and Mr. C. H. Strubee, of Prescott, Arizona, Docket No. DMA-1530. This application was received on June 6, 1951 and requests a production loan of $10,000 for the rehabilitation of and development work in the Bessie Mine, Walker Mining District, Yavapai County, Arizona.

It is regretted that delay in the processing of this application as well as many others for production loans was necessary because of the limited personnel and the urgent need to take care of exploration projects during the summer months. At the present time the Docket No. DMA-1530 is being reviewed by engineers attached to the Defense Minerals Administration and the applicants should hear from the Copper Branch, Supply Division, within the near future.

Sincerely yours,

C. O. Mittendorf

Acting Administrator

JBGowen:rw
9/17/51

Copy to: Administrator's Reading File
Deputy Administrator's Reading File
Executive Officer, DMA Field Team IV
Mr. Lyon
Copper Branch
Files - DMA Docket

JBG
WM J.F.S.

Posted

United States Senate
Office of the Majority Leader
Washington, D. C.

September 10, 1951

Administrator
Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

Dear Sir:

This is written in behalf of Mr. Ike Kusisto and Mr. C.W. Strubee, Prescott, Arizona, who have made application for a loan with your agency on the Bannie Mine. The docket number on their application is DMA 1530.

Any consideration you may be able to give this application will be greatly appreciated, and a status report hereon is respectfully requested.

Very sincerely,

/s/ Ernest W. McFarland

Ernest W. McFarland

COPY

DEFENSE MATERIALS PROCUREMENT AGENCY
WASHINGTON 25, D. C.

APR 25 1952

Mr. Ike W. Kusisto
P. O. Box 938
Prescott, Arizona

Re: DMA 1530
Copper

Dear Mr. Kusisto:

This is to inform you that this Agency has completed its action on your application for a loan and that it has been referred to the Reconstruction Finance Corporation for further action. Any future correspondence regarding your application should be addressed to that Corporation, Washington 25, D. C. for the attention of Mr. E. A. Bingham.

Very truly yours,

TOM LYON
W.B.

Tom Lyon, Director
Domestic Expansion Division

RVWaugh:pk
4/15/52

Copy to: Mr. Gowen
Field Team IV
DMPA Official Files
DMPA Index Files
DMPA Files

Hmc

DEFENSE MATERIALS PROCUREMENT AGENCY
WASHINGTON 25, D. C.

APR 25 1952

Reconstruction Finance Corporation
811 Vermont Avenue
Washington 25, D. C.

Attention: Mr. C. A. Bingham

Re: DMA-1530
Commodity-Copper

Gentlemen:

Enclosed herewith please find an application and supporting material for a loan of Messrs. J. B. Musiato and C. L. Strubee in the amount of $10,000.

It is recommended that the loan be denied for the following reasons:

1. The outcropping veins are weak and essentially barren of mineralization.

2. The mine has produced little or no ore and the main dumps, containing rock from development headings in the reputed deposit appear to be barren.

3. The ore occurrence at the Bonnie is similar to that of many mines in the Bradshaw Mountains which have yielded little or no base metal ores.

Transmitted herewith in the file consisting of the following:

3 Forms DMD-116 (one with first sheet missing)
1 Report by C. O. Blakemore (3)

Very truly yours,

TOM LYON
W.B.

Tom Lyon, Director
Domestic Expansion Division

Enclosure

RVWaugh:rw
4/16/52

Copy to: DMPA Official File Copy
DMPA Index File Copy
DMPA Files
Mr. Gowen
Field Team IV

STANDARD FORM No. 14
APPROVED BY THE PRESIDENT
MARCH 10, 1926

# TELEGRAM

OFFICIAL BUSINESS—GOVERNMENT RATES

FROM Walter R. Storms

BUREAU of Mines

CHG. APPROPRIATION Full Rate. DMA

Tucson, Arizona, February 25, 1952

U. S. GOVERNMENT PRINTING OFFICE 10—1723

Phoned 1.30 p.m. frj

W.H.K.
Shaw
Jaumand
Dave MD

Ike W. Kusisto
PO Box 938
Prescott, Arizona

Examination Bonnie scheduled February 28. Contact U. S. Geological Survey Prescott.

W. R. Storms

Confirmation
CC W. H. KING
DMA-1530
DF

TMRomslo:frj

1530

Mining Division
Date Rec'd.
FEB 27 1952
BUREAU OF MINES
Denver, Colorado

224 New Customhouse
Denver 2, Colorado

March 25, 1952

Memorandum

To: Administrator, Defense Minerals Exploration Administration
Attention: 210

From: Field Team, Region IV

Subject: Final Report, DMPA Docket 1530, $10,000, Ike Kuiate and C. W. Strubee, Bennie Nos. 1 to 6, Copper-Lead Claims, Walker Mining District, Yavapai County, Arizona

Enclosed are the original and three copies of the final report on DMPA-1530, the original and one copy of DMA Form 3b and a copy of the letter of denial to the applicant.

J. H. Earl, Jr.

A. H. Koschmann

HMC:oc

cc: WRSterns w/copy of final report
CAAnderson " " " "
AHKoschmann " " " "
Min. Div. " " " "
DMA Final Report

cc: AHKoschmann (2)
DMA Subject, Chron.

224 New Customhouse
Denver 2, Colorado

March 25, 1952

Messrs. Kusisto and Strubee
P. O. Box 938
Prescott, Arizona

Dear Sirs:

Your application DMA-1530, for a mine development loan of $10,000 and your alternate oral proposal for exploration assistance in the amount of $6,231.75 have received careful consideration.

A field examination indicates that there is little possibility of making a significant discovery of strategic minerals on your property. We therefore regret to inform you that your application for aid is denied.

Very truly yours,

J. H. East, Jr.
J. H. East, Jr.
Field Team, Region IV

A. H. Koschmann
A. H. Koschmann
Field Team, Region IV

cc: Acting Administrator, DMEA

HMC:oc
cc: WRStorms
AHKoschmann
DMA Subject, Chron.

DMA Form 3b.

DEFENSE MINERALS ADMINISTRATION

CONTROLLED DOCUMENT
Revised Abstract

DMA Docket No. 2530

| Change: From | | To | |
|---|---|---|---|
| I 1 | ☐ | I 1 | ☐ |
| I 2 | ☐ | I 2 | ☐ |
| I 3 | ☒ | I 3 | ☒ |
| I 4 | ☐ | I 4 | ☐ |
| I 5 | ☐ | I 5 | ☐ |
| I 6 | ☐ | I 6 | ☐ |
| III 1 | ☐ | III 1 | ☐ |
| III 2 | ☐ | III 2 | ☒ 3-25-52 |
| III 3 | ☐ | III 3 | ☐ |
| III 4 | ☒ | III 4 | ☐ |

Add:

II 7 $ 10,000

II 8 $ - - -

II 8a % _____

Initials of person preparing sheet H.M.C.

Date sheet prepared 3-25-52

Mining Division
Region IV

March 25, 1952

Memorandum

To: Field Team, Region IV, DMEA

From: Acting Chief, Mining Division, Region IV

Subject: Final Report, DMPA Docket 1530, Ike Kusiato and C. W. Strubee, Bennie Claims (Copper-Lead) Walker Mining District, Yavapai County, Arizona

Enclosed are nine copies of the engineering report by T. M. Romslo of the Bureau of Mines. C. S. Brenfield of the Geological Survey helped with the field examination and concurs with our conclusions and recommendations, but will not submit a separate report on geology.

The mine workings are inaccessible. The outcropping veins are weak and essentially barren. The mine has produced little or no ore and the dump containing rock from development headings in the reputed deposit appear to be barren. In general, mines in this area were worked for near-surface gold ores and have yielded little or no base metal.

We concur in the recommendation of the examining engineers that both the request for a development loan of $10,000 and the alternate oral request for exploration assistance in the amount of $6,231.75 be denied.

W. H. King
W. H. King

HMC:oc

cc: DMA Subject, Chron.
AHKoschmann (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

310

NOV 7 1951

Mr. J. H. East, Jr.
Executive Officer, DMA Field Team IV
Bureau of Mines
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMA-1530

Dear Mr. East:

It is requested that contact be made with the applicant to see if he can substantiate the claimed ore reserves and if not, whether there is justification for an exploration project. We would also appreciate any other information which might assist in evaluating and processing this application.

Very truly yours,

SIGNED

Tom Lyon, Chairman
Coordinating Committee

Enclosure

for the Bureau of Mines

for the Geological Survey

dmm/1530

Form NSRB-146
(Nov. 1950)

UNITED STATES GOVERNMENT

**APPLICATION FOR GOVERNMENT LOAN**
**UNDER SEC. 302 OF**
**DEFENSE PRODUCTION ACT OF 1950**

*FORM APPROVED*
*BUDGET BUREAU NO. 25-R002*

AMOUNT OF LOAN REQUESTED $10,000

TERMS OF LOAN REQUESTED
$4,000 first month
Balance $2,000 per month

DATE OF APPLICATION

NAME AND ADDRESS OF APPLICANT (*Street, City, Zone, State*)

Mr Ike W. Kusisto
P.O. Box 938
Prescott, Arizona
and
Mr C. W. Strubee
204 No. Montezuma St.
Prescott, Arizona

TO BE FILLED IN BY DELEGATE AGENCY

(DATE RECEIVED)

COMM.

AGRIC.

INT.

D.T.A.

FILE NO.

**INSTRUCTIONS**

Application should be filed with the Department of Commerce, Department of Agriculture, Department of Interior, or the Defense Transport Administration, whichever has the primary interest in the facilities, products, or processes involved. However, for convenience of the applicant, he may file with any government agency with which he has contract or other pertinent relationships and such agency will arrange for the transmittal of the application to the appropriate office.

Submit four (4) signed copies of the application. Name and address of applicant should be stamped or typed for identification of each sheet of the application and all accompanying papers. When a question is inapplicable, this should be so stated on the form. Additional sheets may be attached in answering any questions or in providing other supporting information.

**1. PURPOSE OF LOAN**

Give a brief general statement of the purpose of the loan requested, including in the table below estimated amounts for such major purposes as land acquisition, building construction, purchase of plant, purchase of equipment, working capital, repayment of debt, etc. Statement should make clear whether funds will be used for expansion of capacity, development of technological processes, or production of essential materials.

General Statement

To produce copper, lead ore from an inactive mine. Money to be used to unwater the mine, and to retimber collar of shaft; and to drive No.2 adit-tunnel 157 ft. farther to put tunnel under the ore body.

| NATURE OF EXPENDITURE | AMOUNT |
|---|---|
| Materials and labor to unwater the mine, and retimber the collar of shaft, and drive the adit-tunnel 157 ft. further. | $10,000 |
| Total amount applied for | |

**2. PROPOSED METHOD FOR REPAYMENT OF LOAN**

State sources of funds, and proposed schedule of repayment

10% of smelter returns until loan and interest are paid.

**3. NATURE OF BUSINESS AND DESCRIPTION OF PROJECT**

Describe fully the business activity for which the funds are intended. In so doing, identify the materials and services to be produced, describe the facilities and processes involved, and explain in detail any research activity and the nature of the results expected. Attach blueprints and specifications, if available, and furnish other technical details to the extent that they are not covered elsewhere in the application.

Mining to produce copper and lead ore.
Ore reserve approximately 27,000 of ore in place. See page 2 in Report by L.G.Blackmore for ore reserve and values.

4. **Relationship to National Defense.** Explain carefully how the expenditure of the funds will contribute to national defense. As a part of such explanation, the following questions should be answered to the extent possible:

(a) What evidence exists as to current shortages of the materials or services to be produced?

Common knowledge of shortage in copper and lead.

(b) What evidence exists as to future shortages of the materials or services to be produced?

Common knowledge that copper and lead reserves are low.

(c) Are such shortages, if any, regional or national in scope?

National, judging from trade journals.

(d) In what respects will the use of the funds aid directly in expediting the carrying out of government defense contracts? (A listing of defense contracts, if any, held by applicant is required in item 8 below.)

Copper and lead needed for war materials.

**4. Relationship to National Defense** - Continued

(e) In what respects will the use of the funds aid indirectly in expediting the carrying out of government defense contracts or related operations?

Answered above.

(f) Are there available alternative methods or facilities to accomplish the same purpose as that for which these funds are intended? (For instance, unused capacity, possibility of multiple shift operations, idle facilities, readily convertible equipment, sub-contracting?) If answer is yes, explain why alternatives are not used.

Mine now inactive.

**5. Maximum Designed Production**

| List separately materials or services identified in item 3 (a) | Unit of measure (b) | Maximum designed production with existing facilities (c) | Average percentage of maximum designed production used in quarter preceding filing of application (d) | Maximum designed production including use of funds applied for (e) |
|---|---|---|---|---|
| | | Mine inactive. | | |
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**6. Employment**

(a) Number currently employed at location(s) where funds are to be used. (Use pay period ending nearest 15th of month preceding filing of application.)

None

(b) Maximum feasible employment with existing facilities.

(1) Single shift operation.

6 men

(2) Multiple shift operation (specify how many shifts).

(c) Estimated additional employees required by the use of the funds applied for.

Mine inactive.

**7. Timing**

(a) On what date(s) are the requested funds needed?

Soon as available

(b) On what expected date(s) will applicant begin to use such funds and obtain output from the use of such funds? Wherever possible, give planned schedule of output.

Soon as money is available.

8. Output from the use of funds applied for will be for the following purposes:
a. For the following principal prime defense contracts (if any) with the United States Government:

| Date of contract (a) | Contracting Government Agency (b) | Program symbol (2 digits) or other contract identification (c) | Materials or services (d) | Delivery date(s) (e) | Amount *(Dollars)* (f) |
|---|---|---|---|---|---|
| | No contract | | | | |

b. For the following subcontracts (if any) with U.S. Government prime defense contractors:

| Date of contract (a) | Materials or services (b) | Supplied to *(Give name and address of firm)* (c) | Delivery date(s) (d) | (e) Government agency receiving end product or services / (f) Program symbol (2 digits) or other contract identification | Amount *(Dollars)* (g) |
|---|---|---|---|---|---|
| | No contract | | | (e) / (f) | |
| | | | | (e) / (f) | |
| | | | | (e) / (f) | |

c. For the following classes or types of customers not covered by contracts listed above (list materials or services to be provided and, wherever possible, also indicate final product use):

Ore can be shipped to the smelter. From smelter metallic copper and lead will be available for industry.

9. **Feasibility**

(a) Estimate anticipated requirements for manpower, equipment, raw materials, energy, fuel, transportation facilities, water supply, housing, community facilities, and other factors of production, for (1) preparation of the facilities and (2) actual operation thereof. (The estimates may be limited to those factors of substantial significance to the preparation and operation of the facilities for which the funds are intended.)

Miners and equipment, powder and incidental supplies available in Prescott, Arizona. Trucks available for hauling ore to railroad. No housing needed.

(b) Discuss and evaluate the availability of each of the above factors in the area(s) where the funds will be used.

Funds will be spent in Prescott, Arizona.

10. The following applications for necessity certificates for tax amortization (Under Section 124A of the Internal Revenue Code) for facilities at the location(s) covered by this application have been filed since January 1, 1950.

| Date of application (a) | Government file number (b) | (Estimated) Total of facilities in dollars on each application (c) | (d) If final action has been taken, give date of | |
|---|---|---|---|---|
| | | | Issuance | Denial |
| | Mine inactive | | | |
| | ~~No certificate filed~~ | | | |
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11. **Recent Efforts to Obtain Credit**

(a) Banks— List names and addresses of all Banks of Deposit of Applicant within the last 5 years: *(Mark with an asterisk (*) bank or banks in which deposits are now kept)*

Valley National Bank (
Bank of Arizona ( Prescott, Arizona

I've had over 20 yrs. of mining and milling. Been mining and shipping ore in the Prescott district for about 5 yrs. We own this mine known as the Bannie Mine, located in Yavapai County, Arizona. The assessment work is up to date. I've never been bankrupt.

Ike Kusisto

11. **Recent Efforts to Obtain Credit** - Continued

(b) State efforts to obtain credit, within 60 days preceding date of application, from banks, the Reconstruction Finance Corporation, or other sources, results, and reasons if refused. (NOTE.— Section 302 of the Defense Production Act of 1950 states that a loan may be extended "only to the extent that it is not otherwise available on reasonable terms." Accordingly, Applicant should show that it has applied to each bank named in (a) above, or explain the reason for not doing so. The fact that a loan of the particular maturity and terms applied for is refused by a bank or banks is not sufficient to comply with the statute, if credit on reasonable terms is available. State whether a bank will participate in the loan, and if so, state name of bank and amount of participation. Full particulars must be given.) List the names and addresses of banks and other lending institutions to which applications for credit have been made, and in each case state date of application, amount of credit available, if any, maximum term for which credit is available, what consideration, if any, was given to possible guarantee of loan under Federal Reserve Regulation V, and reason for refusal or reason loan was not obtained. Indicate whether or not application was definitely refused for further credit on any basis.

Applied Bank of Arizona, Dec.18, 1950

Bank turned down loan.

12. What other forms of government financial assistance, if any, have been received or requested by the applicant in connection with the purposes of the loan herein applied for? If applicant plans to request such assistance in the future, give details.

None.

13. **HISTORY, MANAGEMENT, LEASED AGREEMENTS, INSURANCE, ETC.**

These subjects should be fully covered in statements attached hereto. Outline past management experience or other basis for showing competence of the Applicant to perform in accordance with expressed purpose of the application. If plant was purchased, state price, form and terms of payment, date of purchase, from whom and under what circumstances purchase was made. If it is proposed to construct or acquire new facilities (including equipment), state estimated cost and basis of such estimate, form and terms of payment, and from whom purchases of facilities will be made. State whether Applicant, or the business or plant, has been in receivership, bankruptcy, Chapter X, XI or XII, in hands of creditors, committee, or whether Applicant has effected a compromise with creditors, and if so, discuss fully. Indicate whether business is conducted in leased premises and whether any facilities are leased from others and describe terms of any lease agreements. List type and amount of insurance carried on plant property. Describe briefly any pending or threatened litigation affecting Applicant.

**14. NAMES AND ADDRESSES OF OFFICERS, DIRECTORS, OR PARTNERS, AND IN ADDITION THERETO, THE FIVE LARGEST STOCKHOLDERS IF A CORPORATION.**

| NAME AND ADDRESS (a) | Official title (If officer is also director indicate by "D") (b) | Total of annual salary, commissions, bonuses, etc., received from Applicant and affiliates during last fiscal year (c) | Estimated net worth outside of Applicant (d) | Number of shares held in applicant | | Life insurance carried for benefit of Applicant | |
|---|---|---|---|---|---|---|---|
| | | | | Common (e) | Preferred (f) | Amount (g) | Net cash surrender value after loans (h) |
| | | | | | | | |
| | | | | | | | |
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| | | | | | | | |
| | | | | | | | |
| | Total | | x x x x x | | | x x x | x x x |

**15. CAPITAL STOCK ISSUES**

For Corporate Applicants

| Item | Authorized (a) | Outstanding (b) | Par value (c) | Number of shares outstanding (d) | Dividend rate last paid (e) |
|---|---|---|---|---|---|
| Common stock | $ | $ | $ | | |
| Preferred stock | $ | $ | $ | | |

**16. PURCHASE AND SALES RELATIONS WITH OTHERS**

Does Applicant buy from, sell to, or use the services of, any concern or partnership in which an officer, director, large stockholder, or partner of the Applicant has a substantial interest? If not, so state. If so, give names of such officers, directors, stockholders, and partners, and names of such concerns or partnerships.

Applicants are partners, applicants have no interest in any mine supply company.

Does any officer, director, large stockholder, or partner of Applicant receive any commission, bonus, or other payment in cash or services from any concern or partnership with which Applicant has business dealings? If not, so state. If so, give names of such officers, directors, stockholders, or partners and amounts of such commissions, bonuses, or payments.

No

**17. COMPENSATION SCHEDULE**

INSTRUCTIONS: The schedule shall show the amount of compensation being paid to all employees of Applicant receiving compensation at a rate in excess of $10,000 per annum, including employees paid on a part-time basis where the rate of compensation exceeds $10,000 per annum computed on a full-time basis. If Applicant is a corporation, the schedule should show the compensation, regardless of amount, being paid to all officers, directors, and such stockholders as have an interest in Applicant's business of 10 percent or more. If Applicant is a partnership, the schedule should show the compensation being paid to, or being withdrawn by, all partners for their personal use. If Applicant is an individual, the schedule should show the amount being withdrawn by Applicant for his personal use. In each case the listed person's connection with the business should be indicated (i.e., whether an officer, director, stockholder, partner, owner, etc.). The calendar basis for the compensation should likewise be shown. Attorneys or firms of attorneys on a regular retainer or salary basis should be included. The schedule should include a separate notation indicating the source and amount of any compensation being paid by a company or firm directly or indirectly controlling, affiliated with, or controlled by, Applicant. If the space provided herein is insufficient, the schedule should be continued on the reverse side or appropriate continuation sheets should be attached.

17. **COMPENSATION SCHEDULE** - Continued

The term "compensation", as used herein and such schedule, shall include all salaries, fees, bonuses, commissions, retainers, regular drawing accounts, and other payments, direct or indirect, in money or otherwise, for personal services.

| Name (a) | Position (b) | Compensation paid during previous fiscal year (c) | Present compensation (d) |
|---|---|---|---|
| Ike Kusisto and C. W. Strubee | Owners | Not operating | None |

18. **COLLATERAL**

(a) The applicant offers the following described collateral as security for repayment of the loan applied for.

| Description (a) | Date acquired (b) | Cost (c) | Book Value (Net) (d) | Appraised* value (e) |
|---|---|---|---|---|
| Property now held: Bannie Mine Group of six claims | | | ? | $150,000 |
| Bannie No 1, Book 157 page 483<br>Bannie No 2, Book 157 page 484<br>Bannie No 3, Book 157 page 485<br>Bannie No 4, Book 157 page 486<br>Bannie No 5, Book 157 page 504<br>Bannie No 6, Book 157 page 505<br>Are recorded in the office of the Yavapai County Recorder in Prescott, Arizona. | | | | |
| To be acquired: | | | | |

* This column need be filled in only if a recent appraisal has been made. If so, identify appraiser below.

| Name (a) | Title (b) | Date (c) |
|---|---|---|
| | | |

(b) Describe existing liens, if any, on property listed above.

None

## EXHIBIT A - CURRENT FINANCIAL STATEMENT

As of _____

(Date not more than 30 days prior to date of application)

### ASSETS

**CURRENT ASSETS**

1. Cash ..... $ _____
2. Notes receivable ..... $ _____
   Less reserve for doubtful notes ..... _____
3. Accounts receivable:
   Current ..... $ _____
   Past due not over 4 months ..... _____
   Past due over 4 months ..... _____ $ _____
   Less reserve for doubtful accounts ..... _____ _____
4. Inventories:
   Raw materials ..... $ _____
   Work in process ..... _____
   Finished goods ..... _____ $ _____
   Less reserve for inventory losses ..... _____ _____
5. Other current assets (describe) _____ _____

TOTAL CURRENT ASSETS ..... $ _____

**FIXED AND OTHER ASSETS**

6. Plant used in business:
   Land ..... $ _____
   Buildings ..... _____
7. Machinery ..... _____
8. Equipment, furniture, and fixtures ..... _____ $ _____
   Less reserve for depreciation ..... _____ _____
9. Investments—stocks and bonds ..... _____
10. Investments in affiliated companies ..... _____
11. Receivables due from affiliated companies ..... _____
12. Real estate not used in business ..... _____
13. Due from officers, directors, employees, stockholders ..... _____
14. Deferred charges ..... _____
15. Other assets ..... _____

TOTAL ASSETS ..... $ _____

### LIABILITIES

**CURRENT LIABILITIES**

16. Notes payable (see schedule 1, page 10):
    Banks ..... $ _____
    Trade creditors ..... _____
    Officers, stockholders, relatives ..... _____
    Insurance companies ..... _____ $ _____
17. Accounts payable ..... _____
18. Other current liabilities:
    Delinquent taxes { Real estate ..... $ _____
    Delinquent taxes { Federal ..... _____
    Wages and salaries ..... _____
    Due officers ..... _____
    Accrued interest, rent, taxes, wages, etc. ..... _____
    _____ _____ _____

TOTAL CURRENT LIABILITIES ..... $ _____

**FIXED AND OTHER LIABILITIES**

19. Machinery liens ..... _____
20. Mortgage debts (see schedule 2, page 10) ..... _____
21. Bonds or debentures (see schedule 2, page 10) ..... _____
22. Other liabilities ..... _____

**NET WORTH**

23. Common stock (if Applicant is incorporated) ..... $ _____
24. Preferred stock (if Applicant is incorporated) ..... _____
25. Surplus (if Applicant is incorporated) ..... _____ _____
26. Capital and Surplus Account (if Applicant is partnership or individual) ..... _____

TOTAL LIABILITIES ..... $ _____

27. Contingent liabilities (explain) _____ $

NOTE.— Submit copy of last available audit or of financial statement at close of last fiscal period (if such date differs from date of above statement).

## SCHEDULE I - Notes Payable (in detail)

| Name and address | Maturity | Amount | State amount and character of collateral | Name of guarantor(s) and/or endorser(s) |
|---|---|---|---|---|
| | | | | |

## SCHEDULE 2 - Mortgage Debt (real estate and/or chattels) or Bond Issue

| Names and addresses of holders | Date of maturity | Interest rate | Unpaid principal amount | Date to which interest is paid |
|---|---|---|---|---|
| | | | $ | |
| TOTAL | X X X X X X X | X X X X X X | $ | X X X X X X X X X X X X X X X X |

If mortgage secures a bond issue, state whether bonds are principally held by management and/or stockholders or by others, and attach copy of mortgage indenture.

## EXHIBIT B - CONDENSED COMPARATIVE STATEMENT OF INCOME AND EXPENSES

For years ended _____ Didn't mine
(Insert date of end of fiscal year) 1950

*(000.00 omitted)*

| | (Figures for 3 preceding years) | | | Current year as of date of Exhibit A |
|---|---|---|---|---|
| | 19 | 19 | 19 | |
| 1. Net sales | | | | |
| 2. Cost of goods sold | | | | |
| 3. Gross profit on sales (line 1 minus line 2) | | | | |
| 4. Other income (itemize) | | | | |
| 5. Total (line 3 plus line 4) | | | | |
| 6. Salaries (officers or partners)* | | | | |
| 7. Selling and all other expenses | | | | |
| 8. Total of lines 6 and 7 | | | | |
| 9. Profit or loss before depreciation and Federal taxes (line 5 minus line 8) | | | | |
| 10. Depreciation | | | | |
| 11. Federal Income and Excess Profits Taxes | | | | |
| 12. Net profit or loss (line 9 minus lines 10 and 11) | | | | |
| **ANALYSIS OF SURPLUS** | | | | |
| 13. Total surplus at beginning of period | | | | |
| 14. Net profit or loss for period | | | | |
| 15. Line 13 plus line 14 if profit; line 13 minus line 14 if loss | | | | |
| *Add:* | | | | |
| 16. Surplus paid in during period | | | | |
| 17. Surplus resulting from revaluation of assets | | | | |
| 18. Other additions to surplus (itemize) | | | | |
| 19. Total of lines 15 to 18, inclusive | | | | |
| *Deduct:* | | | | |
| 20. Dividends | | | | |
| 21. Other charges to surplus (itemize) | | | | |
| 22. Total of lines 20 and 21 | | | | |
| 23. Surplus at end of period (line 19 less line 22), MUST AGREE WITH SURPLUS AS SHOWN IN BALANCE SHEETS | | | | |

* To include all payments of any kind (commissions, bonuses, withdrawals) to officers or partners.

NOTE—If years included in the above tables are not adequately representative of applicant's financial experience, information may be submitted for additional years.

## EXHIBIT C - CONDENSED COMPARATIVE STATEMENT OF CONDITION

For years ended _____

(Insert date of end of fiscal year)

(000.00 omitted. Use figures to nearest thousand. For instance, the figure $3,489.36 should be written as 3; the figure $3,689.36 should be written as 4)

| ASSETS | (Figures for 3 preceding years) 19 | 19 | 19 | Current year as of date of Exhibit A |
|---|---|---|---|---|
| CURRENT ASSETS: | | | | |
| 1. Cash | | | | |
| 2. Receivables (after deducting reserves) | | | | |
| 3. Inventories | | | | |
| 4. Other current assets: | | | | |
| TOTAL CURRENT ASSETS | | | | |
| FIXED AND OTHER ASSETS: | | | | |
| 5. Plant accounts (before depreciation): | | | | |
| Machinery, equipment, etc. | | | | |
| Delivery equipment | | | | |
| Real estate and buildings used in business | | | | |
| 6. Other assets (as investments, real estate not used in business, etc.): | | | | |
| TOTAL ASSETS | | | | |
| **LIABILITIES** | | | | |
| CURRENT LIABILITIES: | | | | |
| 8. Notes payable | | | | |
| 9. Accounts payable | | | | |
| 10. Accrued liabilities | | | | |
| 11. Other current liabilities: | | | | |
| TOTAL CURRENT LIABILITIES | | | | |
| FIXED AND OTHER LIABILITIES: | | | | |
| 12. Mortgage debts | | | | |
| 13. Debentures | | | | |
| 14. Other fixed liabilities: | | | | |
| RESERVES: | | | | |
| 15. Reserve for depreciation | | | | |
| 16. Other reserves: | | | | |
| NET WORTH: | | | | |
| 17. Common stock (issued) (if Applicant is incorporated) | | | | |
| 18. Preferred stock (issued) (if Applicant is incorporated) | | | | |
| 19. Surplus (if Applicant is incorporated) | | | | |
| 20. Capital and surplus account (if Applicant is partnership or individual) | | | | |
| TOTAL LIABILITIES | | | | |

NOTE— If years included in the above table are not adequately representative of applicant's financial experience, condition statements may be submitted for additional years.

## EXHIBIT D

**AGREEMENT AS TO COMPENSATION FOR SERVICES RENDERED OR TO BE RENDERED TO APPLICANT IN CONNECTION WITH APPLICATION AND/OR LOAN**

To induce the United States Government and its agencies to make a loan under Sec. 302 of the Defense Production Act of 1950 to No one hired (hereinafter called "Applicant") and in consideration of the making of a loan to Applicant, the undersigned, having been retained by Applicant for the purpose of rendering professional or other services in connection with its application for a loan or loans, hereby represents, warrants, and agrees that the undersigned has not been paid, has not made any agreement with the Applicant to be paid, and has not procured any person to pay or agree to pay, and will not, directly or indirectly, charge or receive any bonus, fee, or commission in any form in connection with the said application for, or the obtaining of, the loan applied for by the Applicant, or any compensation in any form for services rendered or to be rendered in connection therewith except for the services and in the amounts stated below:

| Name | Description of services | Amount paid | Amount to be paid |
|---|---|---|---|
| | | $ | $ |

To induce the making of the loan and the employment of the undersigned by Applicant, the undersigned hereby further warrants, covenants and agrees, upon the consideration herein specified, and in consideration of the employment of the undersigned by Applicant, as above recited, that if the amount of compensation stated above for any such services shall not be deemed reasonable by any agency of the United States Government, the undersigned will reduce the charge for such services to such amount as shall be deemed reasonable by such agency, and will not, directly or indirectly, charge or collect from the Applicant or any other person, any sum in excess of the amount so deemed reasonable; and that if the undersigned has heretofore collected, from the Applicant or any other person, as compensation for any such services, any amount deemed by such agency to be unreasonable, the undersigned will refund to Applicant or such other person such sums as are in excess of the amount deemed reasonable. The undersigned further warrants, covenants and agrees that if the amount of the compensation for any such services is not determinable at the date of application, or is not stated above, it will not collect or charge any sum as compensation for such services without the prior written approval of the Government agency with which this application is officially filed as to the nature of the services for which such compensation is to be paid and the amount of such compensation.

Witness: _____

Address of witness: _____

Dated _____, 19____

**NOTE**—Corporations must execute foregoing certificate in corporate name, by duly authorized officer, and seal must be affixed and duly attested; partnerships must execute in firm name, together with signature of a general partner. If no compensation is paid or to be paid for services rendered in connection with application or loan, this should be so stated and the Applicant should sign this Exhibit.

## CERTIFICATION

The Applicant hereby certifies that the statements made in the foregoing application, and all exhibits and documents submitted in connection therewith, are true and correct statements to the best of Applicant's information and belief and are submitted as a basis for credit. ~~The Applicant agrees to reimburse any agency of the United States Government upon demand for any expenses incurred in connection with or arising out of this application or any loan made pursuant hereto.~~

Dated May 24, 19 51

Witness: _____

(For individual applicants)

Ike W. Kusisto

(Signature)

Witness: _____

(For partnership applicants)

C W Struber

(~~Full name of firm~~)

By _____, a general partner.

(Signature)

(For corporate applicants)

*(CORPORATE SEAL)*

_____

(Full corporate name of Applicant)

Attest: _____

By _____

(Signature) (Title)

_____, _____

(Signature) (Title)

The United States Criminal Code, 18 U.S.C., Sec. 1001, makes it a criminal offense to make a willfully false statement or representation to any Department or Agency of the United States as to any matter within its jurisdiction.

U. S. GOVERNMENT PRINTING OFFICE: 1950 O - 916171

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 4 - 1951
LANDON F. STROBEL
Executive Secretary

COPIED FROM

L.G. BLAKEMORE REPORT.

L.G. BLAKEMORE, MINING GEOLOGIST.

PRESCOTT, ARIZONA.

Dear Sirs;

Pursuant to your request for an examination of your properties of the Bannie Mines, I hereby submit the following report,

Yours respectfully,

L.G. Blakemore,
Mining Geologist.

The property of the Bannie Mines is situated in the Walker Mining District, Yavapai County, Arizona; 3 miles from the Sheldon Copper Co. in the Mt. Elliot Range, which is a part of the Bradshaw Mountains, 14½ miles over good roads, is the city of Prescott.

The property consists of six (6) unpatented mining claims.

MINERALIZATION.

The minerals present in the matrix have been recognized as follows; Hematite; Chalcopyrite; pyrite; malachite; manganese; azurite. These quartz fissures are parallel and numerous enough to constitute a sheer zone; they were developed from their outcrop, for their gold content, but the ore became complex at depth. It is my conviction, that the quartz fissures are of secondary consideration, as regards the development of the mine and the development in the future should be directed north east as well as south west, crosscutting the country, looking toward the discovery of lenses of pyrite and chalcopyrite in the shist on a contact with the intrusives.

Tending N.E. S. W. a silicious porphritic shist dyke heavily impregnated with iron pyrite, trends across the quartz fissures and can be traced for hundreds of feet over the north and south hills. Along the outcrop, several places have been dug into by the writer and show aresano-pyrite and pyrite. Limonite, due to the decay of the pyrite, shows up heavily in more than one section. This dyke is in close proximity to the granite and quartz monzonite and can be crosscut on the 325 ft. level from the main shaft, at a distance of about 450 ft.

The granite is an intrusive, along with the diorite and quartz monzonite, this the shists are the oldest rocks and show the results of side pressure. This can be seen near the shaft and in the 525 ft. tunnel, acro s Spring Creek, opposite the shaft, the underlying shists and should contain copper ore; the bottom of the main shaft being in shist, and the diorite intrusive feathering out at the bottom of the shaft.
The surface, near the main shaft, shows the intense shattering, due to the tartiary intrusives, this condition improving as depth is obtained in the shaft. From the surface showing, and gossan, I look for an ore body of real importance to be opened up in the northeast territory as well as the southern end.

DEVELOPMENT.

The main shaft located on the Bannie No.2 claim, is 357 feet deep, with laterals at the 100 ft. level, the 165 ft. level and the 325 ft. level; all drifting south. The 100 ft. level connects with the 525 ft. tunnel, south of Spring Creek, on the Bannie No.1 claim, by a winse, in which ore is found consisting of galinite. At the 165 ft. level, an ore shute 5 to 7 ft. wide and 110 ft. long, has been cut, consisting of gold-copper ore. This has been partially stoped, and some of this ore is on the dump, about 65 tons in all. The gold-copper ore on the 325 ft. level is 11½ ft. wide, with 2 ft. of high grade and is 210 ft. long; never been stoped. The main shaft consists of one compartment and manway. The condition is good, being well timbered. The 100 ft. level is caved back 40 ft., but as this part of shaft is little used, has not been timbered. Otherwise, the shaft should present no difficulties to sink to the 500 ft., and the 1,000 ft. level.

The adit-tunnel, south of Spring Creek, on the Bannie No.1 claim, which connects with the main working shaft by a winse, is 525 ft. long. It was driven on gold values, on two separate veins in shist. There are really two tunnels, paralleling one another and connected by a short 20 ft. drift. Tunnel No.1 mentioned above, is 527 ft. long. Tunnel No. 2 is 168 ft. long. Quartz veins assaying $16 to $32 a ton are present in both tunnels. These veins are the regular north and south quartz fissures, spoken of elsewhere in this report. The foot wall of tunnel No.1 is well slickensided, carrying a heavy clay salvage, as wide as 6 inches; which show the result of much movement. The face of tunnel No.1 is in green chloritic shist and hornblende granite. The face of tunnel No.2 is in amphibolite shist and silicious porphery shist.

Adit-tunnel No.2, which is also south of Spring Creek, on the Bannie No.1 claim, is 327 ft. east of adit-tunnel No.1, and is driven into the hill south, in the same general direction as adit-tunnel No.1. Adit-tunnel No.2 is 400 ft. long, starts in shist, then into quartz-monzonite and the face is now ingreen chloritic shist, impregnated with iron-pyrite. On the bottom of the tunnel, about 20 ft. back from the face, is showing of massive pyrite in dark-greenish chloritic shist. This tunnel was originally started to get under some large quartz outcrops and about 157 ft. more will put tunnelunder the outcrop, where ore is expected.

750 ft. south of the main shaft, is an old shaft, now caved, which according to reliable reports was 145 ft. deep and is said to contain 28% copper and some gold and silver values. I visited this shaft and found some good ore on the dump containing malachite; bornite; hematite; and chalcopyrite. The shaft is in shist. All laterals south from the main shaft should cut this ore at depth. The N.E. and S.W. silicious porphritic shist dyke, mentioned before as pyrite outcrop, passes the shaft 150 ft. West.

300 ft. south of the 145 ft. shaft, is another shaft, 75 ft. deep, also caved. The silicious porphritic schist dyke passes between this shaft and the 145 ft. shaft.

W.N.W. of the mian shaft about 600 ft., is a 24 ft. shaft, sunk in porphry and which is mineralized, showing iron thru the rock. Directly opposite this shaft is a 30 ft. adit-tunnel, which has been driven on a vein of shist and porphry. This tunnel shows bunches of bornite and chalcopyrite, and by sinking deeper and drifting in under the adit-tunnel, some ore of good grade should be opened up. The showing is worthy of consideration and it would open up this territory.

The following assays are from different parts of the mine and property; and show some of the possibilities;

| Gold | Copper | Silver |
|---|---|---|
| $12.00 | 5.10% | 4.60 Oz. |
| 1.20 | 28.8 % | 3. " |
| .80 | 19.34 | 1. " |
| 16.00 | | 6.6 " |
| 12.80 | 4.6 | 11. " |
| 8.40 | 21.5 | 17.50 " |
| 100.87 | 9.4 | 28.80 " |
| 67.49 | 4.8 | 19.90 " |
| 95.09 | .8 | 4.90 " |
| 32.00 | | 3.2 " |
| 16.00 | | 5.4 " |
| 8.40 | 21.50 | 17.50 " |

Estimates of available Ore.

Some estimate has been made from what I term "Available Ore", i.e. ore in place, and where the ore shute has been developed along its length, but not blocked on four sides. Such an ore shute is the 11½ ft. ore body on the 325 ft. level, where it has been developed along its entire length of 210 ft. Basing the height of stoping ground at 225 ft. Basing the height of stoping ground at the 225 ft. high by 210 ft. long, and assuming that it will maintain an average width of 8 ft., we have approximately 27,000 tons of ore in place. 31,500

Future Plant at the Bannie.

The future plant at the Bannie Mine will in all probability be selective flotation, as it seems to be the ideal treatment for ores in this district. The capacity of this plant will, of course, depend upon the ore reserves when blocked out, but I am enthusiastic as to the future of this mine. I look to see at least a 200 ton plant and possibly one of larger capacity installed at the mine after the 1,000 ft. level is reached; because I think the ore will be blocked out sufficiently to warrant same by that time.

Mineralization Plant At Depth.

It appears from all indication in the shaft that the ore bodies will increase as depth is attained. The bottom of the shaft is in shist and impregnated with pyrite and chalcopyrite. This condition points the way for further development at depth. It also appears that the values at depth will be more and more in the shist and deep seated ore bodies uncovered.

As the copper values are beginning to appear as replacements in the shist. Shist is very prevalent at the Bannie property. There is no question in my mind that when the main shaft reaches the 500 ft. level, they will be well into the ore zones.in the shist.

It is useless to expect great results from shallow workings in this district as the intense leachings have taken place, and the further sinking of the main shaft to the 1,000 ft. level should take place as soon as possible, as it is at depth the large lenses of ore are to be expected; and upon which the life of the mine depends.

## Summary and Conclusion

First--The surface geology is very favorable. Mining and climatic condition is good. Timber for mining and domestic purposes, abundant. Plenty of water for domestic and mining uses. Accessibility, good; close to supplies and smelter, over excellent mine roads. In fact, summing up the whole venture, I consider this property an exceptional "Mine in the Making", and recommend its fullest development.

Second--Development has proved that ore exists in working quantity at the 165 ft. level, and at the 325 foot level, and is getting wider with depth.

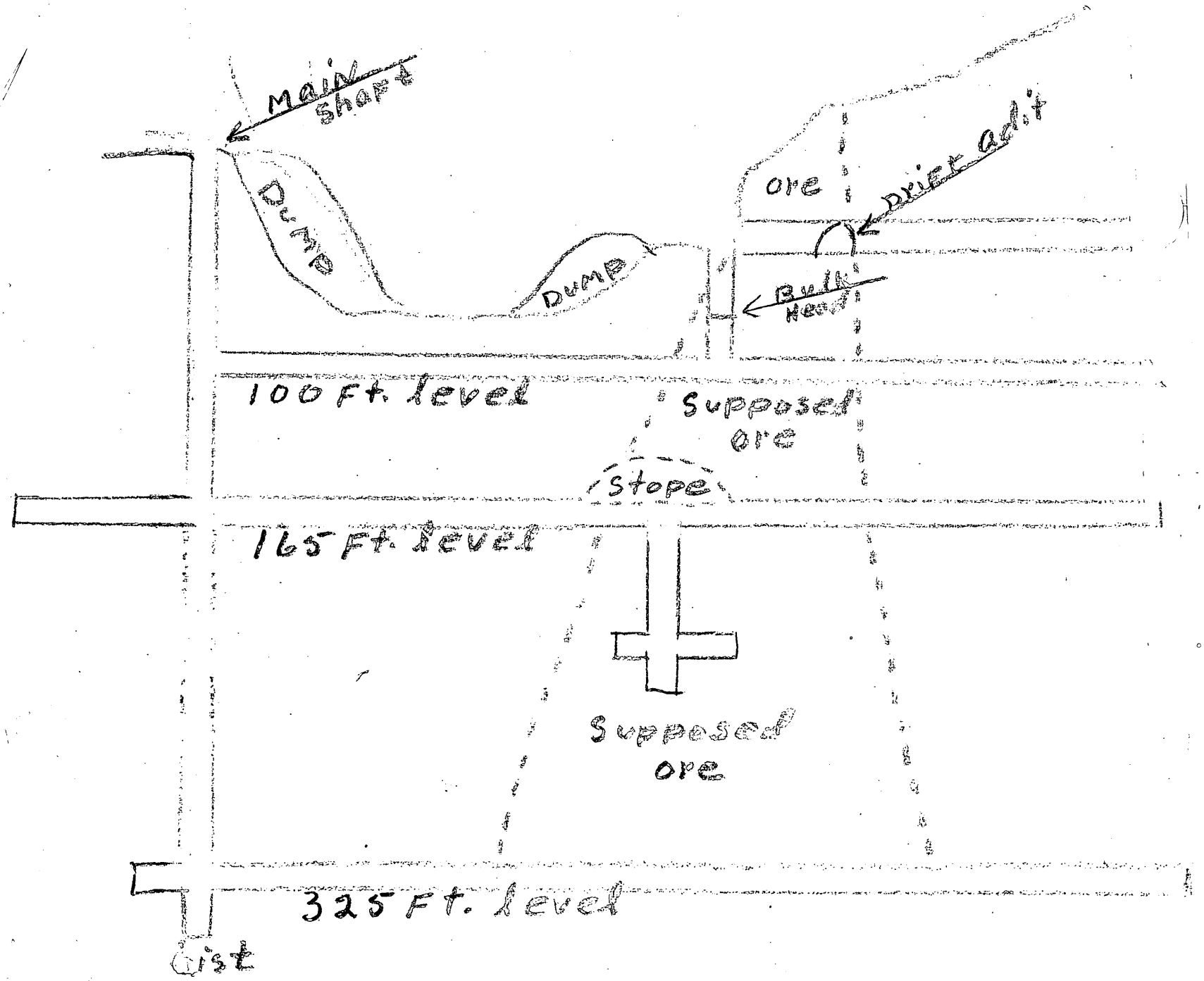
Third--There is an abundant territory unexplored, for the uncovering of further ore bodies, both North East and South West. Pyrite and chalcopyrite are beginning to show in the bottom of the main shaft, which is 357 ft. deep.

Fourth--There is every indication that the Bannie Mine will be a big producer of profitable ore, when full development has taken place;i.e., sinking of main shaft to a 1,000 ft. or more, crosscutting blocking out of ore, and the installation of a suitable reduction plant, for economical ore treatment.

(Signed) _____

L.G.Blakemore
Mining Geologist.

Copy

N. ← Bannie [illegible] → S.

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